

**Department of Energy**

Washington, DC 20585

June 11, 2010

Mr. Ralph Phelps, Chair
Northern New Mexico Citizens Advisory Board
1660 Old Pecos Trail, Suite-B
Santa Fe, New Mexico 87505

Dear Chairman Phelps:

Thank you for your March 31, 2010, letter with recommendations regarding sufficient funding for Los Alamos National Laboratory's (LANL) Environmental Management (EM) Projects and Consent Order.

The Department of Energy (DOE) will continue to focus on legacy waste reduction and cleanup consistent with the regulatory closure of the LANL legacy waste sites. A key component of the Department's effort under the EM Program is footprint reduction which would allow the transfer of lands to the county and other property owners, in order to support risk reduction for the citizens of Los Alamos and the Pueblo lands. DOE has been directed by Congress to submit a compliant budget to the Office of Management and Budget who then makes funding decisions based on Administration priorities. The fiscal year (FY) 2011 LANL budget request supplemented by American Reinvestment and Recovery Act funding appears adequate to meet all Consent Order milestones required by the New Mexico Environment Department.

Your letter also recommends that DOE annually review the Consent Order funding requirements. As a result of the FY 2008 memorandum to the Assistant Inspector General and LANL, DOE requested a revised baseline that reflects funding priorities for prerequisite work consistent with the Consent Order milestones. Upon submission and approval of the Baseline Change Proposal, DOE and the National Nuclear Security Administration will engage in discussions with the regulators regarding the potential impacts of the baseline change on the Consent Order.

The FY 2011 budget request will support EM's cleanup objectives within the overall framework of achieving the greatest environmental benefit, the largest risk reduction, and overlaying regulatory compliance commitments. EM will continue to maintain best business practices to maximize footprint reduction and near-term completion cleanup activities with the current milestone initiatives and Recovery Act funding.



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referenced encompasses the current projected work scope contained in the EM portfolio. Any of the excess facilities, materials, and wastes that EM has agreed to accept when funding is available, would not be included in the \$180 billion. Those costs are included within the Department's other environmental liability categories because other DOE Program Offices and NNSA currently owns those facilities, materials, and wastes.

I would like to thank the Northern New Mexico Citizens' Advisory Board and all members of the EM Site Specific Advisory Board for your dedication and commitment in proactively supporting the EM mission over many years, and I look forward to working with you on addressing DOE's unfunded liabilities.

If you have additional questions regarding this issue, please contact me, or Mr. Jay Rhoderick, Director of the Office of Strategic Planning and Analysis, at (301) 903-7211.

Sincerely,



Merle L. Sykes
Chief Business Officer for
Environmental Management

Attachment